

THE TRANSPORTATION LINK



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Director of the
Office of Small and
Disadvantaged
Business Utilization

October 1 marks the beginning of a new fiscal year for the federal government and a new year filled with opportunities for small and disadvantaged firms that want to conduct business with the Department of Transportation (DOT).

In this edition of the *Transportation Link* we emphasize how important it is to become familiar with the tools of electronic commerce. DOT is announcing procurement opportunities, searching for businesses, buying goods and services, and paying vendors — all electronically.

One example is the *FY 2000 Procurement Forecast* that is now available electronically on the OSDBU web site.

Electronic commerce has many benefits for DOT and your businesses. You will be at a competitive disadvantage if you don't start using the tools of electronic commerce.

The Year 2000 (Y2K) is rapidly approaching. If you have not had the opportunity to access some the Y2K resources that we have posted on the OSDBU web site, now is the time to do so. Just select the Y2K logo on the OSDBU home page.

On our calendar this month we also have information on local workshops for small businesses that want to learn how to become Y2K compliant.

I hope that Fiscal Year 2000 will be a prosperous year for you and your business!

DOT Continues E-Commerce Push



Electronic commerce (e-commerce) is the marketing, promotion, purchasing, and selling of goods and services electronically, particularly via the Internet. It is critical that the small business entrepreneur understand how e-commerce is being used in the Department of Transportation (DOT) procurement process and how it can be utilized as a competitive advantage in conducting business with DOT.

E-commerce is rapidly taking a critical role in the way the DOT does business. In most situations it is more efficient and less expensive for DOT to announce contract awards, search for qualified small businesses, buy services, and pay vendors electronically, than through more traditional means.

Electronic Posting System (EPS)

The April 1999 edition of the *Transportation Link* (<http://osdbuweb.dot.gov/translink/apr99/index.htm>) featured a lead article on the Electronic Posting System (EPS) "pilot project." EPS is a web-based system for posting solicitations and other procurement-related documents to the Internet.

On October 1st, the U.S. Department of Transportation will make use of the EPS mandatory for all its procurement organizations currently posting requirements to the Internet. On this date, affected DOT organizations will either use EPS or be connected to EPS through another posting system. As reported in last month's *Link*, (<http://osdbuweb.dot.gov/translink/sept99/index6.htm>), on October 1, 1999, EPS will no longer be a pilot project.

EPS allows contract specialists to post synopses and other procurement documents, such as solicitations, amendments, and award notifications to a common

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DOT's FY 2000 Procurement Forecast Now Available

The U.S. Department of Transportation's (DOT) first *Procurement Forecast* of the new century is now available on the OSDBU web site. This document serves as a central location for anticipated procurement opportunities from all twelve of DOT's Operating Administrations for fiscal year 2000, which begins October 1, 1999.

The *FY 2000 Procurement Forecast* is a valuable marketing resource for businesses looking to acquire a reference database of federal procurement opportunities and contact information.



See 'Procurement Forecast' on page 3

index. This index—accessible on <http://www.eps.gov>—allows vendors to search databases containing information from many federal agencies.

Vendors may also subscribe to EPS to receive daily e-mail notifications of requirements sorted by selected organizations and product service classifications, or by solicitation number.

Other DOT-related procurement information can be found on www.dot.gov/ost/m60. Many of the DOT Operating Administrations and the state DOTs have procurement information on their own web sites. These can be accessed from the OSDBU web site at <http://osdbuweb.dot.gov/programs/states.html>

ProNet

The Small Business Administration (SBA) administers ProNet, an Internet-database containing more than 171,000 small, disadvantaged, 8(a), and women-owned businesses. It is free to federal and state government agencies as well as prime and other contractors seeking small business contractors, subcontractors and/or partnership opportunities.

DOT contracting officers frequently use ProNet to search electronically for small businesses that are qualified to meet the specific needs of a procurement opportunity. It is strongly recommended that all small businesses register with ProNet at <http://pro-net.sba.gov/index2.html>. ProNet is open to all small firms seeking federal, state and commercial contracts.

Credit Card Acceptance

This year DOT will use between 18,000 and 20,000 credit cards (purchase cards) agency-wide to purchase \$275 million to \$300 million in goods and services.

Currently DOT purchases nearly 90 percent of all goods and services under \$2,500 by credit card, and is aiming for 100 percent.

There are two costs involved with credit card acceptance capability. If DOT spends \$1,000 for your product or service and uses a credit card, you owe the financial institution a percentage—

called a discount fee—of that \$1,000. Most financial institutions charge between 2 to 3.5 percent.

The other cost involved with accepting credit cards is a relatively small one-time fee to cover start-up expenses involved in purchasing or leasing the equipment used to process credit cards.

The benefits of improved cash flow and quicker accounts receivable turnaround will usually more than make up for the additional expense.

DOT wants the convenience, costs savings and improved customer service benefits that implementing e-commerce methods promise. Every time DOT conducts a transaction by credit card, they save U.S. Taxpayers approximately \$54 in administrative expenses. Last fiscal year, DOT made over 680,000 credit card purchases!

Electronic Payments

There are circumstances where credit card purchases are not the best choice. When you are talking about the purchase of goods or services that involve detailed explanation, a credit card purchase may not be practical. In that situation however, there are still many benefits from receiving electronic payments as opposed to being paid by check through the mail:

- Electronic payments usually take one business day, whereas checks take several days to arrive by mail and then they take several more days to clear.

- There is much less fraud with electronic payments.

- Electronic payments don't get lost in the mail or stolen.

The first step to be taken to receive electronic payments is registering with the agency's accounting system. Once you've won a contract, DOT will send you paperwork asking for your financial institution's routing transit number and your account number. Collecting this information from vendors has been the biggest stumbling block for DOT in trying to convert to an electronic payment system.

With federal agencies attempting to comply with a Department of Treasury-established goal of paying 70 percent of its vendors electronically in 1999 and 75 percent by year 2000, the pressure will be on contracting officers to find vendors with electronic banking capability.

One of the biggest reasons some vendors give for not switching to electronic payments is their perceived inability to receive the posting information needed from their financial institutions to account for the electronic payment.

DOT attaches a payment addendum to all electronic payments containing accounting information for a small business to track its invoices. Included is the contract number or purchase number. Not all financial institutions provide businesses with this addendum.

Vendors may want to work with their banks to receive this payment addendum information immediately. Otherwise the bank may send it monthly, or not at all.

There frequently is a fee for electronic transactions. Often businesses can negotiate with their financial institutions for better service and better rates with their electronic payments.

For more information on the EPS, contact Lesley Field at (202)-366-4960 or by e-mail at lesley.field@ost.dot.gov.

For more information on electronic payments, contact Enrique Aveleyra at (202) 366-6115 or by e-mail at enrique.aveleyra@ost.dot.gov.

For more information on OSDBU e-commerce initiatives, contact Joan Tannen at (800)-532-1169 or by e-mail at jtannen@basetech.com.



Anonui Builders: *Building a Better Business*

Anonui Builders, Inc. of Kapolei, Hawaii was formed three years ago by Company President Berni Paik-Apau and Responsible Managing Employee Danyl McGarr. They have already proved their ability to succeed by earning a Minority Enterprise Development (MED) Week Award for their excellence in providing the US Coast Guard with quality work and cost-saving solutions.

Paik-Apau, who is a registered architect and Hawaiian native, started the company in 1996 with McGarr, a general contractor originally from California. Each brought with them over 20 years of expertise in their respective fields.

Paik-Apau and Garr had worked together on projects before starting a business jointly. Their desire to have more control over quality and workmanship motivated them to start their own business. They recognized the synergy of their two professions and the opportunities that would be available.

Their work has received enthusiastic reviews from the Coast Guard. "From

the onset of this project, Anonui Builders encountered several problems not identified in the plans and specifications. Anonui promptly proposed a solution and affected repairs at a more than reasonable price. The icing on the cake came when Anonui Builders provided a quality finished product two weeks prior to an already tight completion date." They are currently embarking on their fourth project awarded to them by the U.S. Coast Guard.

"Quality, employee decision-making and teamwork" are the three essentials of Paik-Apau's management style that she attributes to her company's success. "Teamwork is what makes a project successful!"

The team, led by Paik-Apau and McGarr, is currently comprised of 5 + employees, supplemented by additional trades people as needed. While small in terms of employees, their company has had an impressive 300 percent growth over the past 3 years.

While the general contracting business has historically been male dominated, Anonui Builders has found success as a Women-Owned Business.

Paik-Apau says "It has been diffi-

cult for women in this business. Women have to work harder to prove themselves. However, we've found that through the years we've gained the respect of people because of our hard work.

This success makes it easier for other women entering the business."



Danyl McGarr

Anonui Builders, Inc., can be reached by phone at (808) 672-5655, by fax at (808) 672-5559, or by e-mail at Anonui@aol.com

More DBE Q&As

Two more questions and answers (Q&As) have been added to the series of Q&As available on the DOT Disadvantaged Business Enterprise (DBE) Program. Issues addressed are "Retainage to Sub-contractors" and "Third Party Challenges."

All of the "Questions and Answers About 49 CFR PART 26," the DOT DBE Program final rule, can be viewed at <http://osdbuweb.dot.gov/dbefinal/dbeqna/dbeqna.htm> (The two new Q&As can be identified by their 9/20/99 posting date.)

From 'Procurement Forecast' on page 1

The FY 2000 Procurement Forecast can be viewed on the OSDBU web site at <http://osdbuweb.dot.gov/conop1.html>



To obtain a print copy or sections of the document through Fax On-Demand, call 1-800-532-1169.

For more information, contact Roland Zebina at (800) 532-1169 or e-mail rzebina@basetech.com. To view the web site, go to: <http://osdbuweb.dot.gov/consolic.htm>.

New STLP Partnership

In August, DOT formed a new partnership with Seaway National Bank of Chicago, —the largest African-American owned bank in the world —to participate in DOT's Short Term Lending Program (STLP). STLP was developed to offer certified DBEs the opportunity to obtain working capital at prime interest rates for transportation-related projects.



**Seaway Bank
President & CEO
Walter Grady**

Seaway's many partnerships with other minority banks, their sound financial health, and President & CEO Walter Grady's immense enthusiasm to become part of the program were all factors for Seaway's selection.

For more information on Seaway National Bank visit their website at <http://www.seawaynb.com/> or call (800) 461-5134. You can learn more about the STLP on the OSDBU web site at <http://osdbuweb.dot.gov/MP/mktpkg10.htm>



***It is estimated that
1% to 7% of US businesses
will fail because of the
year 2000 problem.
Don't let yours be one of them!***

ARE YOU



OK?

To learn more about Y2K, and how you
can make your business
Y2K Compliant, utilize the
following resources:

DOT Office of Small and
Disadvantaged Business
Y2K Web Page:
<http://osdbuweb.dot.gov/doty2k.htm>

SBA Y2K Web Page:
<http://www.sba.gov/y2k/>

NIST Y2K Web Page:
<http://y2khelp.nist.gov/>

CALENDAR OF EVENTS FOR September / October 1999

Date	Place	Contact
October 14-15	Targeting Federal Agencies Watergate Washington, DC Sponsored by The Government Contracting Institute	Elizabeth Shapiro (301) 287-2433
October 27	FAA 3rd East Coast Small Business Conference JFK International Airport Jamaica, New York	Tom Needham (301) 206-2940 ext. 37
October 28	DOT MED Week Award Ceremony The Nassif Building Washington, DC	Brenda Preston (800) 532-1169
November 8	Congresswoman Constance Morella Small Business Forum Montgomery County, Gaithersburg, MD	Brendan Hughes (202) 225-5341
November 21-23	National Small Business Innovative Research (SBIR) Conference Las Vegas, NV	sharon@zyn.com (360) 683-5742

*You can view a schedule of Y2K Educational Events offered by the
Small Business Administration (SBA),
Department of Commerce,
National Institute of Standards and Technology (NIST),
Department of Agriculture, as well as other
agencies and organizations at
<http://www.sba.gov/y2k/y2kcalendar.html>
or call SBA at 1-800-U-ASK-SBA.*

<http://osdbuweb.dot.gov>

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